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September 14, 2006

BY OVERNIGHT DELIVERY AND E-FILE

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 06-31

Dear Ms. Cottrell:

Enclosed for filing, on behalf of Bay State Gas Company ("Bay State"), please find Bay State's responses to the following Information Requests:

UWUA-4-3 UWUA-4-4 UWUA-4-7 UWUA-4-10

UWUA-4-11 UWUA-4-13 UWUA-4-17

Please do not hesitate to telephone me with any questions whatsoever.

Very truly yours,

Patricia M. French

cc: Paul Osborne (DTE)
A. John Sullivan (DTE)
Alexander Cochis, Assistant Attorney General (4 copies)
Charles Harak, Esq. (UWUA)
Nicole Horberg Decter, Esq. (USW)
Service List

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FOURTH SET OF INFORMATION REQUESTS OF LOCAL 273
D.T.E. 06-31

Date: September 14, 2006

Responsible: Stephen H. Bryant, President

UWUA-04-03: [See UWUA 1-2, Att. A, p. 1 of 3]

Has the company reviewed or analyzed why the 12-month average reported satisfaction with "amount of time it took to complete transaction on IVRU" dropped to 75% in the 1st quarter of 2006. In your answer, please define "IVRU" and confirm that the reported 75% figure is 22% lower than the prior 12-month average.

RESPONSE: Yes. Bay State has reviewed why the rating on the "amount of time it took to complete the transaction on IVRU" (also know as Integrated Voice Response Usage) declined 22% from the previous 12-month average. The decline was driven, in part, by the addition of two (2) new messages that were added to the IVRU script.

The first new message notified customers about the potential delay in receiving their December 2005 bill, while the Company moved through the compliance phase of D.T.E. 05-27. Because it is no longer current, this message has been deleted from the IVR. The second new message was related to information about changes to the Company's website.

Another factor that was inherent in the apparent reduction in satisfaction with Bay State's IVR was the small number of customers who participated in the survey. Because this question is asked only of those customers who have completed their transaction entirely on the IVR, generally around 30% of all calls handled by the IVR, the sample sizes are normally very small, in this case, n=10 for Q4 2005 and n=11 for Q1 2006.

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D.T.E. 06-31

Date: September 14, 2006

Responsible: Danny G. Cote, General Manager, Operations

UWUA-04-04: (See UWUA 1-2, Att. A, p. 3 of 3) Please confirm that 99% of customers surveyed in the 1st quarter of 2006 found the skill and knowledge of the field service rep/work crew to be 6 or higher on a ten point scale.

RESPONSE: So confirmed. Bay State notes that historically and consistently a high level of customer satisfaction is reported for field service rep/work crew skill and knowledge.

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D.T.E. 06-31

Date: September 14, 2006

Responsible: Danny G. Cote, General Manager, Operations

UWUA-04-07: [See UWUA 1-4, p. 11]

When did Bay State respond to this Notice of Probable Violation dated March 16, 2005? If the response is within the materials provided in UWUA 1-4, please specify the pages. If not within 1-4, please provide any response to the March 16, 2005 letter.

RESPONSE: Bay State provided no written response to the referenced Notice of Proposed Violation ("NOPV") associated with Green Acre Lane in East Longmeadow. The Company responded orally to questions issued by the Department's Pipeline Engineering and Safety Division Staff. It was determined that the situation was precipitated by locator error. As a result, the Company remitted a \$500 fine on April 12, 2005.

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D.T.E. 06-31

Date: September 14, 2006

Responsible: Danny G. Cote, General Manager, Operations

UWUA-04-10: [See UWUA 1-4, p. 99]

Please describe any actions that the company has taken in response to Christopher Bourne's letter of October 3, 2005, and include copies of any written documents reflecting any changes to the company's practices, procedures or operations manuals.

RESPONSE: Bay State determined that its practices, procedures and operations related to "gate boxes," "distribution valves," "curb valves" and "curb shutoffs," were in compliance with G.L. c. 164, § 116B. No additional actions were deemed necessary as a result of the Department's October 3, 2005 letter.

The Department is currently addressing the accessibility of distribution line valves as part of a statewide generic investigation in D.T.E. 06-48.

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D.T.E. 06-31

Date: September 14, 2006

Responsible: Danny G. Cote, General Manager, Operations

UWUA-04-11: [See UWUA 1-4, pp. 107-110]

Please explain what type of information is conveyed in a "Cut Off Report." Please explain the columns "installation date," "inactive date," "compliance date" and "cut-off date" in the report. Also explain why "active accounts" are included in a cut off report.

RESPONSE: The following types of information are included in Bay State's Cut Off Report filed annually with the Department's Pipeline Engineering and Safety Division: (1) the name of the Town in which cut-off work has been performed, (2) the address or locale of service where the cut-off work was performed, (3) the date of the installation of the pipe, (4) the inactive date of the pipe, (5) the compliance date, (6) the cut-off month, (7) the type of pipe (plastic or bare steel) cut off, (8) the cut off date (i.e., exact compliance date to be cut off by), and (9) comments relating to the cut off.

The Installation Date is the date that the gas service was originally installed. The Inactive Date is the date that the gas service became inactive. This date is usually the day the meter was removed or the last bill date of the meter. The Compliance Date is the date that the service must be cut off per the State's code requirements. For a plastic or protected coated steel service, the date is ten (10) years after the inactive date. For all other types of pipe it is five (5) years from the inactive date. The Cut Off Date is the date that the gas service was cut off in the field.

The following is background as to why active accounts are included in the Cut Off Report:

The list of services to be cut off is created during the winter months for the coming construction season. Between the time that the list is created and actual cut-offs are completed, customers may call and reactivate their accounts. When the Company determines that the account is active, it updates the file to indicate that the account is active.

Another reason that Active Accounts may be included in the Cut Off Report is due to inaccurate service records. For example, Bay State's records may list an address as a single family home, but the field crew determines that the dwelling is a two family building. In this instance, one account may not be using gas, but the other is. In this instance, the Company's files are updated to indicate an active account at that address.

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Date: September 14, 2006

Responsible: Danny G. Cote, General Manager, Operations

UWUA-04-13: [See UWUA 1-4, p. 125]

When did Bay State respond to this Notice of Probable Violation dated January 12, 2006? If the response is within the materials provided in UWUA 1-4, please specify the pages. If not within 1-4, please provide any response to the January 12, 2006 letter.

RESPONSE: Bay State provided no written response to the referenced Notice of Proposed Violation ("NOPV") associated with Ring Street in Northampton. Following an oral discussion between the Company and the Department's Pipeline Engineering and Safety Division Staff, during which Bay State responded to a number of questions asked by the Department, the Department determined that there was no reason to pursue further investigation of its initial concerns.

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RESPONSE OF BAY STATE GAS COMPANY TO THE
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Date: September 14, 2006

Responsible: Danny G. Cote, General Manager, Operations

UWUA-04-17: [See UWUA 1-7, Att. D]

(a) Please explain why the budget for materials and supplies was reduced from \$3.864 million to \$2.396 million, 2005 to 2006; why rents and leases declined from \$4.808 to \$3.403; why corporate services declined from \$28,553 to \$22,559.

(b) Please explain why pensions declined from \$4,125,000 to \$222,000, and why FAS106 Medical & Life declined to zero.

RESPONSE:

(a) The budget for Materials and Supplies declined from \$3.864 million in 2005 to \$2.396 million in 2006 primarily due to a decline in postage expenses paid to USPS for mailing bills and customer notices and the removal of software maintenance contracts. These expenses appeared on Bay State's budget in 2005, but became the budget responsibility of IBM in 2006. In other words, Bay State will be responsible for these costs through the IBM bill, rather than its own budget. The Rents and Leases budget declined from \$4.808 million in 2005 to \$3.403 million in 2006 due to a change in the amortization period for Metscan leases (now being deferred and amortized over a 10 year period, consistent with the rate treatment requested and granted in D.T.E. 05-27) and because of changes to the forecasted requirements for telecommunication leased lines and microwave expenses. The NCSC Bill estimate declined from \$28.553 million in 2005 to \$22.559 million in 2006 primarily due to changes in the forecast of costs associated with Information Technology O&M expense.

(b) The budget for Pensions declined from \$4,125,000 in 2005 to \$222,000 in 2006 because all qualified pension expense and FAS106 medical & life expense is recovered through the Company's Pension/PBOP adjustment mechanism approved by the Department in D.T.E. 05-27. The budgetary balance of \$222,000 represents Bay State's Supplemental Executive Retirement non-qualified plan expense, which is not recoverable through the Company's Pension/PBOP tracking mechanism.